

October 29, 2015

To:

National Stock Exchange of India Limited (Scrip Code: FSL)
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (East),
Mumbai - 400 051

BSE Limited (Scrip Code: 532809)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Madam/ Sir,

**Sub: Clause 41: Declaration of Audited Standalone and Consolidated financial
results for the quarter ended September 30, 2015 (Q2 FY 2015-16)**

We wish to inform you that the Board of Directors of the Company have, at their meeting held today i.e. October 29, 2015, approved the Audited Standalone and Consolidated financial Results for the quarter ended September 30, 2015, copies of which are enclosed herewith alongwith copies of Auditors' Reports thereon.

We are also enclosing herewith copy of Press release relating to the financial results.

We request you to take the above on record.

Thanking you,

For Firstsource Solutions Limited



Sanjay Gupta

Senior VP- Corporate Affairs & Company Secretary

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

Tel: + 91 22 66660888 Fax: + 91 22 6666 0887 web: www.firstsource.com, email: complianceofficer@firstsource.com

(Rs. in millions, except per share data and per equity data)

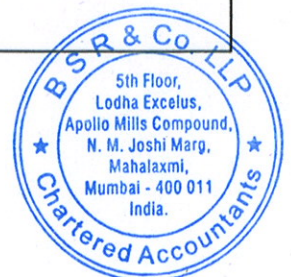
Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2015	2015	2014	2015	2014	2015
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations						
Income from operations	7,792.68	7,384.10	7,698.00	15,176.78	15,317.34	30,033.78
Other operating income, net	132.10	85.33	41.85	217.43	(21.45)	312.74
Total Income from operations	7,924.78	7,469.43	7,739.85	15,394.21	15,295.89	30,346.52
Expenses						
Employee benefits expense	5,341.88	4,996.62	5,200.04	10,338.50	10,274.96	20,171.50
Depreciation and amortisation	183.00	172.07	177.26	355.07	352.72	721.82
Other expenses	1,598.77	1,576.01	1,591.09	3,174.78	3,141.78	6,367.40
Total expenses	7,123.65	6,744.70	6,968.39	13,868.35	13,769.46	27,260.72
Profit from operations before other income and finance costs	801.13	724.73	771.46	1,525.86	1,526.43	3,085.80
Other income	9.17	45.42	46.97	54.59	36.73	65.23
Profit from ordinary activities before finance costs	810.30	770.15	818.43	1,580.45	1,563.16	3,151.03
Finance costs	129.84	141.94	180.70	271.78	364.43	710.86
Profit from ordinary activities before tax	680.46	628.21	637.73	1,308.67	1,198.73	2,440.17
Tax expense	60.61	62.55	24.71	123.16	52.56	95.40
Net profit from ordinary activities after tax	619.85	565.66	613.02	1,185.51	1,146.17	2,344.77
Minority interest	1.35	1.58	0.61	2.93	1.27	1.59
Net profit after tax and minority interest	618.50	564.08	612.41	1,182.58	1,144.90	2,343.18
Paid-up equity share capital (Face Value of Share Rs 10)	6,702.87	6,668.45	6,630.05	6,702.87	6,630.05	6,662.91
Reserves excluding revaluation reserve				15,836.90	16,160.32	14,223.26
Earning per share (Rs): (Not Annualized)						
-Basic	0.92	0.85	0.93	1.77	1.73	3.53
-Diluted	0.89	0.81	0.87	1.71	1.62	3.34
Particulars of shareholding						
Public shareholding						
-Number of shares of Rs 10	296,310,864	292,868,886	289,028,015	296,310,864	289,028,015	292,314,786
-Percentage of shareholding	44.21%	43.92%	43.59%	44.21%	43.59%	43.87%
Promoters' and promoter group shareholding						
a) Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of shares	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	55.79%	56.08%	56.41%	55.79%	56.41%	56.13%



Notes to financials results :

- The above results were reviewed by the Audit Committee on October 29, 2015 and adopted by the Board of Directors at their meeting held on October 29, 2015. The standalone financial results for the quarter and six months ended September 30, 2015 are available on the Company's website (www.firstsource.com) and the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Minority interest's share of profits or losses is adjusted against income to arrive at the net income attributable to the Company's shareholders.
- Effective year ended March 31, 2009, the Company has early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).
- Standalone Information (Audited)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2015	2015	2014	2015	2014	2015
Total income from operations	2,267.87	2,110.52	2,385.05	4,378.39	4,597.33	9,141.39
Net profit before taxation	490.11	393.94	527.50	884.05	910.80	1,599.18
Net profit after taxation	466.13	321.15	537.93	787.28	921.23	1,637.54

- During the quarter ended September 30, 2015, 3,441,978 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended September 30, 2015, 9 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.



8. Statement of assets and liabilities (Consolidated - Audited)						
Particulars	As at					
	September 30		March 31			
	2015	2016				
Shareholders' funds						
Share capital	6,702.87	6,662.91				
Reserves and surplus	15,836.90	14,223.26				
Total Shareholders' funds	22,539.77	20,886.17				
Share application money received under ESOP scheme	0.33	0.20				
Minority interest	19.24	16.31				
Non-current liabilities						
Long-term borrowings	5,715.57	4,142.98				
Deferred tax liabilities, net	354.86	344.72				
Long-term provisions	156.87	177.53				
Total Non-current liabilities	6,227.30	4,665.23				
Current liabilities						
Short-term borrowings	1,482.25	3,160.30				
Trade payables	1,174.98	932.26				
Other current liabilities	4,712.41	4,465.08				
Short-term provisions	155.41	139.82				
Total Current liabilities	7,525.05	8,697.46				
Total - EQUITY AND LIABILITIES	36,311.69	34,265.37				
ASSETS						
Non-current assets						
Goodwill on consolidation	24,452.11	23,336.35				
Fixed assets						
- Tangible assets	804.33	770.73				
- Intangible assets	339.30	332.19				
- Capital work-in-progress (including intangibles)	218.54	84.68				
	1,362.17	1,187.60				
Non-current investments	57.83	57.55				
Long-term loans and advances	1,226.44	1,169.29				
Other non-current assets	1,116.16	1,078.51				
Total Non-current assets	28,214.71	26,829.30				
Current assets						
Current investments	537.50	676.11				
Trade receivables	3,086.24	2,889.51				
Cash and bank balances	1,185.24	802.29				
Short-term loans and advances	359.75	290.20				
Other current assets	2,928.25	2,777.96				
Total Current assets	8,096.98	7,436.07				
TOTAL - ASSETS	36,311.69	34,265.37				
Segment Reporting						
Particulars	Quarter ended			Six month ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2015	2015	2014	2015	2014	2016
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) UK	2,886.15	2,560.88	2,784.62	5,447.03	5,518.31	10,778.35
b) USA and Canada	4,267.76	4,158.91	3,606.25	8,426.67	7,226.38	14,795.40
c) India	495.10	502.41	641.71	997.51	1,256.12	2,462.05
d) Rest of the World	143.87	161.90	665.42	305.57	1,316.53	1,997.98
Total	7,792.68	7,384.10	7,698.00	15,176.78	15,317.34	30,033.78
Less: Inter segment revenue						
Net segment revenue	7,792.68	7,384.10	7,698.00	15,176.78	15,317.34	30,033.78
Segment results before tax and finance costs						
a) UK	618.08	460.37	553.77	1,078.45	979.41	2,236.95
b) USA and Canada	449.10	536.81	465.82	985.91	1,006.84	1,944.56
c) India	46.56	35.79	88.18	82.35	147.41	263.42
d) Rest of the World	36.70	48.82	67.15	65.52	131.25	225.86
Total	1,150.44	1,081.79	1,174.92	2,232.23	2,264.91	4,670.79
i) Finance costs	(129.84)	(141.94)	(180.70)	(271.78)	(364.43)	(710.86)
ii) Other unallocable expenditure net of unallocable income	(340.14)	(311.64)	(356.49)	(651.78)	(701.75)	(1,519.76)
Profit before tax and minority interest	680.46	628.21	637.73	1,308.67	1,198.73	2,440.17
Capital employed						
a) UK	1,409.59	1,353.11	1,216.29	1,409.59	1,216.29	1,136.45
b) USA and Canada	27,280.72	26,244.80	28,800.85	27,280.72	28,800.85	25,849.63
c) India	395.49	464.77	494.75	395.49	494.75	465.03
d) Rest of the World	87.09	67.09	646.72	87.09	646.72	81.30
e) Unallocated	2,203.05	2,576.79	1,980.10	2,203.05	1,980.10	2,325.22
	31,376.94	30,706.66	33,138.71	31,376.94	33,138.71	29,867.63
Notes on segment information						
Primary segments						
The primary segment of the company is geography, identified on the basis of the location of the customer which in the opinion of management, is the predominant source of risk and rewards. The business of the Group is organized into four key geographic segments comprising United Kingdom (UK), United States of America and Canada (USA), India and Rest of the World.						
Capital employed						
Capital employed comprises debtors including unbilled receivables and goodwill on consolidation directly attributable to the reportable segments. As the fixed assets and services are used interchangeably between the segments by the Group's businesses and liabilities contracted have not been identified to any of the reportable segments, the Group believes that it is currently not practicable to provide segment disclosures relating to these assets and liabilities and hence, has been included under unallocated.						
				By order of the Board		
				For Firstsource Solutions Limited		
Kolkata, India October 29 2015				 Rajesh Subramaniam Managing Director and CEO		

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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Independent Auditors' Report

To the Board of Directors of Firstsource Solutions Limited

Report on the Consolidated Quarterly and Year to Date Financial Results of Firstsource Solutions Limited Pursuant to Clause 41 of the Listing Agreement

We have audited the consolidated financial results of Firstsource Solutions Limited ('the Company') and its subsidiaries for the quarter ended 30 September 2015 and year to date consolidated financial results for the period from 1 April 2015 to 30 September 2015, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us.

Management's Responsibility for the Consolidated Quarterly and Year to Date Financial Results

These consolidated quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim condensed consolidated financial statements and in compliance with Clause 41 of the Listing Agreement, which is the responsibility of the Company's management. These interim condensed consolidated financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Additionally, the Company has early adopted Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation, along with prescribed limited revisions to other accounting standards, issued by the Institute of Chartered Accountants of India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial results that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial results based on our audit of such interim condensed consolidated financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditors' Report (Continued)

Firstsource Solutions Limited

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim condensed consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the interim condensed consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the interim condensed consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated quarterly financial results as well as the year to date consolidated financial results:

- i. include the consolidated quarterly financial results as well as the year to date consolidated financial result of the following entities:
 - a. Firstsource Solutions Limited
 - b. Firstsource Group USA, Inc.
 - c. Firstsource Solutions UK Limited
 - d. Firstsource Solutions S.A.
 - e. Firstsource Advantage LLC
 - f. Firstsource Business Process Services, LLC
 - g. Firstsource Solutions USA LLC
 - h. Firstsource Transaction Services LLC
 - i. Firstsource Dialog Solutions (Private) Limited
 - j. Anunta Tech Infrastructure Services Limited
 - k. Firstsource BPO Ireland Limited
 - l. One Advantage LLC
 - m. MedAssist Holding, LLC
- ii. are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- iii. give a true and fair view of the consolidated net profit and other financial information for the quarter ended 30 September 2015 and year to date results for the period from 1 April 2015 to 30 September 2015.



Independent Auditors' Report (*Continued*)

Firstsource Solutions Limited

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 3 to the consolidated financial results that describes the early adoption by the Company of AS 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation along with prescribed limited revisions to other Accounting Standards prescribed under the Act, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. The Company has accounted for assets and liabilities as per requirements of AS 30 including prescribed limited revisions to other Accounting Standards. AS 30, along with limited revisions to the other Accounting Standards, has not currently been notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Consequent to early adoption of AS 30 and the related limited revisions, consolidated profit after taxation for the quarter ended 30 September 2015 and for the period from 1 April 2015 to 30 September 2015 is higher by Rs 78.96 million and 135.73 million respectively and Reserves and Surplus as at 30 September 2015 is lower by Rs 357.14 million.

Report on Other Legal and Regulatory Requirements

Further, we also report that we have, on the basis of books of account and other records and information and explanations given to us by the management, verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing agreement and found the same to be correct.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rajesh Mehra

Partner

Membership No: 103145

Kolkata
29 October 2015

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2015

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

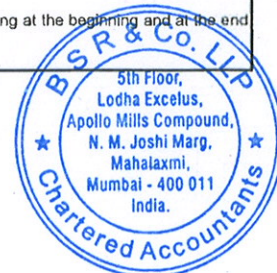
Tel: + 91 22 66660888 Fax: + 91 22 6666 0887 web: www.firstsource.com, email: complianceofficer@firstsource.com

(Rs. in millions, except per share data and per equity data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31,
	2015	2015	2014	2015	2014	2015
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations						
Income from operations	2,158.78	2,051.79	2,346.44	4,210.57	4,629.44	8,895.21
Other operating income, net	109.09	58.73	38.61	167.82	(32.11)	246.18
Total income from operations	2,267.87	2,110.52	2,385.05	4,378.39	4,597.33	9,141.39
Expenses						
Employee benefits expense	1,050.46	1,021.07	1,111.94	2,071.53	2,179.97	4,377.19
Depreciation and amortisation	104.26	104.34	117.80	208.60	236.08	464.30
Other expenses	645.91	629.59	675.50	1,275.50	1,335.54	2,685.16
Total expenses	1,800.63	1,755.00	1,905.24	3,555.63	3,751.59	7,526.65
Profit from operations before other income and finance costs	467.24	355.52	479.81	822.76	845.74	1,614.74
Other income	68.81	85.25	99.04	154.06	166.59	186.67
Profit from ordinary activities before finance costs	536.05	440.77	578.85	976.82	1,012.33	1,801.41
Finance costs	45.94	46.83	51.35	92.77	101.53	202.23
Profit from ordinary activities before tax	490.11	393.94	527.50	884.05	910.80	1,599.18
Tax expense	23.98	72.79	(10.43)	96.77	(10.43)	(38.36)
Net profit from ordinary activities after tax	466.13	321.15	537.93	787.28	921.23	1,637.54
Paid-up equity share capital (Face value of share Rs 10)	6,702.87	6,668.45	6,630.05	6,702.87	6,630.05	6,662.91
Reserves excluding revaluation reserve				10,075.59	8,365.27	9,620.16
Earning per share (Rs) (Not Annualized)						
-Basic	0.70	0.48	0.81	1.18	1.39	2.47
-Diluted	0.67	0.46	0.76	1.14	1.31	2.33
Particulars of shareholding						
Public shareholding						
-Number of shares of Rs 10	296,310,864	292,868,886	289,028,015	296,310,864	289,028,015	292,314,786
-Percentage of shareholding	44.21%	43.92%	43.59%	44.21%	43.59%	43.87%
Promoters' and promoter group shareholding						
a) Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
b) Non-encumbered						
- Number of shares	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	55.79%	56.08%	56.41%	55.79%	56.41%	56.13%

Notes to financials results :

- The above results were reviewed by the Audit Committee on October 29, 2015 and adopted by the Board of Directors at their meeting held on October 29, 2015.
- Effective year ended March 31, 2009, the Company has early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).
- During the quarter ended September 30, 2015, 3,441,978 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended September 30, 2015, 9 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.



6. Statement of Assets and liabilities (Audited)

Particulars	As at	
	September, 30 2015	March, 31 2015
<u>EQUITIES AND LIABILITIES</u>		
Shareholders' funds		
Share capital	6,702.87	6,662.91
Reserves and surplus	10,075.59	9,620.16
Total Shareholders' funds	16,778.46	16,283.07
Share application money received under ESOP scheme	0.33	0.20
Non-current liabilities		
Long-term borrowings	1,193.85	1,218.08
Long-term provisions	89.31	73.41
Total Non-current liabilities	1,283.16	1,291.49
Current liabilities		
Short-term borrowings	1,153.93	1,007.07
Trade payables	277.03	254.00
Other current liabilities	616.81	755.44
Short-term provisions	125.55	38.11
Total Current liabilities	2,173.32	2,054.62
TOTAL - EQUITY AND LIABILITIES	20,235.27	19,629.38
<u>ASSETS</u>		
Non current assets		
Fixed assets		
- Tangible assets	276.46	322.27
- Intangible assets	143.17	262.50
- Capital work-in-progress	5.16	0.50
	424.79	585.27
Non-current investments	11,874.43	11,813.71
Deferred tax assets (net)	437.06	454.44
Long-term loans and advances	1,058.04	984.56
Other non-current assets	1,116.16	1,077.71
Total Non-current assets	14,910.48	14,915.69
Current Assets		
Current investments	510.50	649.11
Trade receivables	3,000.14	2,335.48
Cash and bank balances	451.91	260.98
Short-term loans and advances	523.74	337.85
Other current assets	838.50	1,130.27
Total Current assets	5,324.79	4,713.69
TOTAL - ASSETS	20,235.27	19,629.38



Kolkata, India
October 29, 2015

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
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Independent Auditors' Report

To the Board of Directors of Firstsource Solutions Limited

Report on the Quarterly and Year to Date Financial Results of Firstsource Solutions Limited Pursuant to Clause 41 of the Listing Agreement

We have audited the financial results of Firstsource Solutions Limited ('the Company') for the quarter ended 30 September 2015 and year to date financial results for the period from 1 April 2015 to 30 September 2015, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us.

Management's Responsibility for the Quarterly and Year to Date Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim condensed financial statements and in compliance with Clause 41 of the Listing Agreement, which is the responsibility of the Company's management. These interim condensed financial statements have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Additionally, the Company has early adopted Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement, read with AS-31, Financial Instruments – Presentation, along with prescribed limited revisions to other accounting standards, issued by the Institute of Chartered Accountants of India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of such interim condensed financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditors' Report (Continued)

Firstsource Solutions Limited

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim condensed financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the interim condensed financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the interim condensed financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the quarterly financial results as well as the year to date financial results:

- i. are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
- ii. give a true and fair view of the net profit and other financial information for the quarter ended 30 September 2015 and year to date results for the period from 1 April 2015 to 30 September 2015.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial results that describes the early adoption by the Company of AS 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation, along with prescribed limited revisions to other Accounting Standards prescribed under the Act, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. The Company has accounted for assets and liabilities as per requirements of AS 30 including prescribed limited revisions to other Accounting Standards. AS 30, along with limited revisions to the other Accounting Standards, has not currently been notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Consequent to early adoption of AS 30 and the related limited revisions, profit after taxation for the quarter ended 30 September 2015 and for the period from 1 April 2015 to 30 September 2015 is higher by Rs 78.96 million and Rs 134.52 million respectively and Reserves and Surplus as at 30 September 2015 is higher by Rs 2,400.11 million.



Independent Auditors' Report (*Continued*)

Firstsource Solutions Limited

Report on Other Legal and Regulatory Requirements

Further, we also report that we have, on the basis of books of account and other records and information and explanations given to us by the management, verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing agreement and found the same to be correct.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rajesh Mehra

Partner

Membership No: 103145

Kolkata

29 October 2015

Firstsource reports Second Quarter Fiscal 2016 revenues of Rs 7,925 million

Q-o-Q growth of 6.1%, Y-o-Y growth of 2.4%

Operating EBIT of Rs 801 million

Up Q-o-Q by 10.5% and Y-o-Y by 3.9%

PAT (profit after tax) of Rs 619 million

Up Q-o-Q by 9.6% and Y-o-Y by 1.1%

October 29, 2015: At its Board meeting held in Kolkata today, Firstsource Solutions Limited (NSE:FSL, BSE:532809), a RP-Sanjiv Goenka Group Company and a global provider of customized Business Process Management (BPM) services, reported its consolidated financial results for the second quarter ended September 2015 according to Indian GAAP.

Highlights for the Quarter ended September 30, 2015:

- Revenues of Rs 7,925 million, up 6.1% Q-o-Q compared to Rs 7,469 million for the quarter ended June 2015 and up 2.4% Y-o-Y compared to Rs 7,740 million for the quarter ended September 2014.
- Operating EBIT (earnings before interest and tax) of Rs 801 million, up 10.5% Q-o-Q compared to Rs 725 million for the quarter ended June 2015 and up 3.9% Y-o-Y compared to Rs 771 million for the quarter ended September 2014.
- PAT (profit after tax) of Rs 619 million, up 9.6% Q-o-Q compared to Rs 564 million for the quarter ended June 2015 and up 1.1% Y-o-Y compared to Rs 612 million for the quarter ended September 2014.
- Cash position is at Rs 1,723 million.
- Employee strength at 23,658 as of September 30, 2015. Reduction of 281 employees in the quarter.
- Q2 annualized attrition (post 180 days):
 - Offshore (India and Philippines) - 44.9% compared to 50.3% in Q1 FY2016
 - Onshore (US and Europe) - 48.9% compared to 46.4% in Q1 FY2016
 - Domestic (India and Sri Lanka) – 76.0% compared to 95.7% in Q1 FY2016
- As of September 30, 2015, Firstsource derived 54.8% revenues from the US, 37.0% from the UK and 8.2% from Rest of World, including India.
- As of September 30, 2015, Firstsource derived 38.4% revenues from Telecom & Media, 39.2% from

Healthcare, 22.2% from BFSI and 0.2% from other verticals.

Key Company Highlights during the Quarter:

Business highlights:

- Debt repayment: Firstsource Group USA, wholly owned subsidiary of Firstsource Solutions successfully made the quarterly principal repayment of USD11.25million on its outstanding debt on Sep 30, 2015.
- Signed a large transformational deal with UK's largest retail bank and mortgage lender. The transformational nature of this deal involves significant elements of process re-engineering and automation.
- Firstsource forayed into the E-commerce space in India with a new contract win with one of the top e-commerce player. Firstsource will provide Inbound Customer Service for this client.
- Partnered with NICE solutions to help enhance the end-user experience. The NICE solution will enable Firstsource to uncover business insights by automatically analyzing, identifying, quantifying and monitoring customer interactions based on multiple dimensions.
- Partnered with Ulster University – the second largest university in UK - to give Firstsource employees an opportunity to earn a degree in Customer Contact Management.

Commenting on the results, Firstsource Chairman Sanjiv Goenka says, *"These results reflect organisational transformation that we are aiming at Firstsource by realigning to market realities and enhancing customer experience. We are happy with the Profits, which have grown 9.6 % this quarter. Our expansion into newer verticals such as e-commerce as well as recent client wins globally, further signifies we are moving along a strong growth path. Moving forward, FSL will continue to focus on Customer Management and Healthcare where we expect to see higher sales and an improvement in cost efficiencies."*

Rewards & Recognitions:

- Awarded the 2015 Frost & Sullivan Asia Pacific Best Practices Award for Customer Value Enhancement in the Contact Center Outsourcing domain.
- Won 2 awards at the UK Customer Experience Awards 2015:
 - With NOW TV, the 'Business Change or Transformation - Transformation at the Heart' category. NOW TV is an Online Television service powered and owned by Sky.
 - The Silver Award with giffgaff in the 'Technology and Telecoms - Amazing Customer

Experience' category.

- Won 2 awards for HR best practices in India:
 - JetSet program won the Best First Time Managers Development Program of Asia at the Best Leadership Development Practices of Asia 2015 conducted by the Learning & Organisational Development (L&OD) Roundtable.
 - Firstsource Academy won in the Corporate Best HR practices category at the NHRD HR Showcase 2015.
- Ranked #19 in Ulster Business "Top 100 Companies" in Northern Ireland.

About Firstsource

Firstsource (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), a RP-Sanjiv Goenka Group company is a global provider of customized BPO (Business Process Outsourcing) services to the Banking & Financial Services, Insurance, Telecommunications, Media and Publishing and Healthcare sectors. The company's clients include FTSE 100, Fortune 500 and Nifty 50 companies. Firstsource has a "Rightshore" delivery model with operations in India, Philippines, Sri Lanka, UK and USA. (www.firstsource.com).

For More Information Please Contact:

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